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FM AMEMBASSY SKOPJE  
TO RUEHC/SECSTATE WASHDC 7327  
INFO RUCPDO/DEPT OF COMMERCE WASHDC  
RUEATRS/DEPT OF TREASURY WASH DC

UNCLAS SKOPJE 000312

SIPDIS

DEPARTMENT FOR EUR/SCE

E.O. 12958: N/A  
TAGS: [EINV](#) [KIDE](#) [OPIC](#) [PGOV](#) [MK](#)  
SUBJECT: MACEDONIA: 2008 REPORT ON INVESTMENT DISPUTES AND  
EXPROPRIATION CLAIM

REF: A. SECSTATE 43784

[1](#)B. 07 SKOPJE 502

[1](#)1. Post is aware of one outstanding claim of a U.S. person against the Government of Macedonia (GOM). This dispute remains unchanged from last year's report (ref B).

[1](#)2. a. Claimant A.

b. This dispute arose in April 2007, when the GOM decided to end a concession previously granted to Claimant A's company and sent the company a letter to that effect.

c. Claimant A is a U.S. citizen of Macedonian descent who co-invested with his Macedonian citizen family member in a bottled water company. Claimant A claims to own 50 percent of the company, with an investment of approximately \$2,000,000. The company has a government-granted concession, issued in 2000, to bottle and sell the underground water in the area. The GOM in April, 2007 issued an official decision to cancel the concessions of three companies, including Claimant A's company, located in the "Rasce" area near Skopje, the capital. Claimant A's company received a letter in April 2007, signed by the Minister of Economy, notifying the company of the GOM's decision. The letter provided no explanation and did not discuss any compensation for the company. Econoff met with GOM officials in April and June 2007 to discuss the case. The officials claimed that the company's activities threatened Skopje's water supply. The officials acknowledged that the GOM should offer compensation, but could not provide any information on how compensation would be provided. Subsequently, the company owners filed a lawsuit in Macedonian court that claimed that the GOM had not followed proper legal procedures in deciding to cancel the concession. Post contacted the company on May 7, 2008 and was informed that there has been no decision or further legal action on the company's law suit. The company has continued its operations and has received no further communication from the GOM.

[1](#)3. Claimant A, Mr. Angelko Milosevski, is a U.S. citizen and was a U.S. citizen at the time of the GOM decision. He claims to be a 50 percent owner of the company "Rotiko."  
NAVRATIL